SMALL FARMERS DEVELOPMENT AGENCY IN INDIA : AN EXPERIMENT IN CONTROLLED DECENTRALIZATION

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CHAPTER I

POLITICAL AND ADMINISTRATIVE DECENTRALIZATION IN INDIA

There is considerable literature building up in public administration that argues that rural development policies and programmes can show results only if a decentralized mode of policy making and administration are adopted. Much of the empirical research of recent past is cited to support this relationship. For many development specialists decentralization also means inclusion of forms and methods of local people's participation in rural development programmes and projects and they hold such participation as a critical variable in bringing about rural change. There are reasons to believe, therefore, that the emergence of a sharper focus on the issues of decentralization and participation is related to the kind of unhappy experience that most countries have gone through in implementing programmes of rural development and a stress on these dimensions is a manifestation of deep concern to make this implementation more effective.

In India, decentralization has been an issue right from the time alternatives to colonial administration were being thought of. In Gandhi's dream, India was seen as a highly decentralized polity with

extensive economic and political autonomy to the villages. Those expounding Gandhian thought laid great store by village republics and panchayats but were ready to make minor adjustments to suit the modern conditions of civic life. However, when the constitution was being drafted, little concern was expressed for Gandhian thought and the word 'panchayat', the cornerstone of Gandhi's political framework, did not figure in the constitution at all. The debate on this issue in the Constituent Assembly left a legacy which has had a deep impact on the form and content of decentralization in India.[1]

India adopted a federal constitution but with a bias towards centralization. The central government enjoys wide powers for formulating policies both in the general area of economic and social planning and in the individual sectors of the economy. Even where the matters are squarely under the jurisdiction of the states, the Centre has exercised overriding influence. The way the political forces operate in the country support the pre-eminence of the Centre. The same political party in power both at the Centre as well as at the state tends to shift power towards the Centre.

The centralization tendencies have been further strengthened through the way the financial resources are distributed between the Centre and the states. While grants-in-aid to different states are determined by Finance Commission appointed every five years under a constitutional provision, the Central Government makes use of another constitutional provision for discretionary transfer of resources from the Centre to the states. Most of the funds for the implementation of the Five Year Plans have been transferred under this provision. To a great extent, this method of transferring funds makes states dependent on the policies of the Centre for proposing and implementing development programmes.

The administrative system, in addition, supports the supremacy of the Centre. Both the Centre and the states have their own administrations governed by independent sets of personnel policies. While Central administration concerns itself in providing guidelines for implementation, the state administration actually translates policies into action at the field level. But the unifying force of both the administrations is the elite corps of Indian Administrative Service whose members hold key secretariat and field positions at the Central as well as at the state levels. Members of this Service are also District Collectors/Deputy Commissioners

and thus the key functionaries in the district. While many organizations and cadres have been added to the district, the District Collector has not been disturbed in his role as the primary government officer at that level. In most cases, both the Central and state governments place responsibility on him for all developmental or regulatory work in the district.

The fact that the members of the IAS hold crucial positions in Government at all levels and this Service traces its lineage to the Indian Civil Service (ICS) of the pre-independence era makes the IAS very influential in the governmental machinery. This service provides leadership in all tasks and sets examples to other cadres by its attitudes, values and behaviour. The primacy of the IAS in the administrative system is largely because of the characteristics of its structure. There is a duality of control over the IAS with the Central Government acting as a check over the state government. The recruitment of a member of the IAS is done through a constitutionally established Public Service Commission and the induction training is provided by a Central Government training institution. When he is confirmed in service, he is allotted to a cadre of any one state government but is governed by rules and regulations established by the Central Government. His service, therefore, is so protected that in any case where

he feels aggrieved due to any action or non-action of state government, he can appeal to the Centre. This arrangement guarantees his independence and assures him immunity from local political pressures. But this network of control also makes him look up to the Centre for all career prospects. More often than not, this makes him more amenable to central directives. The Centre in turn finds him a useful conduit through which control over field level activity can be exercised.

In spite of these centralizing tendencies, there is a constant concern expressed for decentralization. As a concession to those who were strongly supporting the cause of making villages the building blocks of New India's development, democratic decentralization through Panchayati Raj institutions was undertaken. These institutions were established in 1959 to support Community Development Programme and elective bodies were established at the level of village, block and the district. In most states direct elections took place only at the level of the village or the Panchayat. The other two bodies were inter-linked with each other and the Panchayat through indirect elections. However, without much responsibility for planning or utilizing local resources or ability to design schemes for local development, the elected representatives in these

institutions began using their new found power to maximize benefits from the programmes that were being implemented by the government for rural development. The administrators, on their part, resented the injection of this type of leadership in rural development administration and perceived it as a threat to their own power and influence. This led to a relationship of hostility which often resulted in lack of concern for achievement of targets and inability to relate programmes to the good of all people.

Much of this happened partly because from the very beginning these institutions were not given adequate opportunity to take up planning and implementation work on a sizeable scale.[2] All development activities did not flow through them and the government continued to choose its own bureaucratic agencies to plan and implement major programmes in the rural areas.

The government further demonstrated its disinterest in these institutions by frequently postponing their elections on one plea or another.[3] Some states even superceded one-tier or the other at Panchayati Raj in the interest of better programme implementation. For most detractors of local planning and decentralized policy making, events in Panchayati

Raj presented a self-fulling prophecy. Panchayati Raj was indicated for faults that are endemic in the Indian socio-political scene. Singling out local institutions was an evidence of persistence of views that threw out the earlier proposals for decentralization during the debate in the Constituent Assembly.

What crystallized from this experience, however, was the view that local level institutions have to be clear instruments of national policy. It is the effectiveness of the national plans that needs to be improved and therefore the rationale of local institutions was sought to be established in this perspective. The adoption of new agriculture strategy based on the assumptions of gap in technology and resources in improving agriculture and the disillusionment with democratic decentralization led to increasing reliance on bureaucracy and the administrative system to bring about rural development. The role of participatory mechanism at the local levels is not denied but they are not considered as the prime promoters of rural development.

Essentially bureaucratic organizations were involved in introducing the new agricultural strategy. When this strategy was successful in increasing agricultural production but unsuccessful in helping the weaker sections of the rural society, new bureaucratic institutions were established. Local level participatory institutions planning and implementing rural development programmes did not find adequate place in the new arrangement.

CHAPTER II

THE SMALL FARMERS DEVELOPMENT PROGRAMME

As we have noted above, the disillusionment with democratic decentralization coincided with the failure at the food front. The experience of community development and panchayati raj had shown that enough attention was not being given to agricultural production. The crisis of food production triggered off a whole series of organizational innovations in which autonomy to local institutions was considered a luxury. In fact, the Ford Foundation report on 'India's Food Crisis' that transformed the existing agricultural situation emphatically said, "far reaching centralized authority with a clear line of command and execution alone can meet the challenge of growing more food. ... The administrative structure must be simplified and clear lines of authority and responsibility established at all levels of Government so that policy decisions are carried out at the village level."[4]

A direct outcome of the recommendations was the establishment of the Intensive Agricultural Development Programme in certain selected districts of the country. This programme was basically administrative in character concerning itself with delivery of inputs to

increase agricultural production. By 1965, the high yielding variety of seed had arrived and these were supplied particularly to those districts chosen for intensive development. The result was that around 1969 Government of India announced the arrival of Green Revolution in the country.

Undoubtedly, there were remarkable increases in agricultural production but it soon became clear that the benefits of the new strategy were not reaching the small and the marginal farmers. There was an apprehension that the green revolution would in fact, aggravate the economic disparities already existing among the farmers and regions in the country. The All India Credit Review Committee of the Reserve Bank of India argued in 1969 that "if the fruits of development continued to be denied to large sections of the rural community, while prosperity accrues to some, the resulting tensions, social and economic, may not only upset the orderly and peaceful change in the rural economy but even frustrate the national effort to step up agricultural production."[5] Therefore, the Committee suggested that special attention should be focussed on less affluent cultivators and through state and institutional support, they should be helped to improve their pdoduction potential.

This concern for the weaker sections of rural society was partly expressed by introducing several new institutions at the local level. All of these institutions were given a status that was supposed to give them autonomy from the existing administrative system, freedom to establish their procedures of work and flexibility to prepare their action plans.

As recommended by the Credit Review Committee Report, the first of such institutions were the Small Farmers Development Agency and the Marginal Farmers and Agricultural Labourers Agencies etablished in 1971. Both of these agencies were merged into one at the beginning of Fifth Five Year Plan in 1975. Initially 46 SFDA projects and 41 MFAL agencies were started. In 1979 there were 168 Small Farmers Development Agencies being run in 198 districts of the country. Subseqently, in 1978-79, Integrated Rural Development Programme replaced Small Farmers Development programme in some selected blocks and by 1980 it covered all the districts in the country. The Small Farmers Development programme was merged into it and District Rural Development Agency was established to implement it. However, in those districts where SFDA was in operation, the IRDP has adopted SFDA programme but expanded its scope and activities and even the non-agricultural sector has been

brought under its purview.

The SFDA was essentially a beneficiary oriented programme whose purpose was to help bring those groups of cultivators that were being left out of the benefits of improved agricultural practices due to technology and resources gap. In more specific terms, the purpose was:[6]

a) to identify the members of the target groups (small and marginal farmers and agricultural labourers);

b) to draw up plans or schemes for investment and production in respect of activities which may be taken up by the members of the various target groups for solving those problems and improving their economic conditions;

c) to execute these schemes for benefit of the members of target groups either directly or through others in coordination with the existing agencies whether private, public or cooperatives including banking institutions and government agencies; and

d) to review the progress of the execution of these activities as well as effectiveness of the benefits directed towards the members of the target groups.

In order to fulfil the above aims, the SFDAs were allotted the following tasks:[7]

a) to ensure adequate institutional credit to the members of the target groups by providing grants to the credit institutions operating in the area, to cover any loaning risks that they may be exposed to in financing these groups;

b) to provide grants and subsidies to such credit institutions for strengthening their managerial and supervisory staff;

c) to give such assistance to the members of the target groups including subsidies and grants as may be necessary for furthering purposes of the plans, schemes undertaken or supported by the agency;

d) to render assistance for the development of agriculture and animal husbandry (including poultry and dairy) programmes for the benefit of the members of the target groups;

e) to organize and arrange for providing supplies of inputs such as fertilizers, seeds and pesticides to the small and marginal farmers;

f) to arrange and supply agricultural implements to small and marginal farmers;

g) to arrange and organize the provision of custom/services of agricultural machinery/er and implements such as tractors, power tillers, boring equipments etc., to be let out to small and marginal farmers; and

h) to organize, assist and strengthen marketing and processing societies and organizations.

As can be seen from the listing of functions and objectives, the SFDAs were concerned with identification of beneficiaries, preparation of schemes to help them and arrangement of loans and subsidies to the beneficiaries to implement these schemes. The schemes through which the beneficiaries were to be helped fell in areas of agriculture, minor irrigation, animal husbandry, cooperative institutions and training of rural artisans. (See Appendix I for details).

The administrative organization to implement the small farmers development programme ushered in a new era of implementation strategy. Through the experience of Panchayati Raj it had already become evident that in such a scheme of democratic decentralization political goals tended to take precedence over development goals. Local institutions were more amenable to political pressures and therefore, the administrators were unable to devote adequate professional effort on achieving developmental targets. Failure at local level then got reflected in failure of national aims and objectives. On the other hand, the policy-makers were also convinced that the existing administrative machinery did not have the capacity to become an instrument of implementation of development policies. Little faith was placed on the attitudes, values of civil servants to perform these tasks which demanded flexibility and innovative behaviour. Thus, if decentralization was not acceptable then establishing a single line of command upto the village level was also not favoured. Participation at local level continued to be emphasized as a critical factor in implementing local level programmes.

Thus, Small Farmers Development Agency came as an innovation on the Indian Administrative scene. It was not fully incorporated into the bureaucracy at the district level but was also not completely bound by it. It had a separate structure of its own but had strong linkages with the regular administrative system. It could be called an experiment in controlled decentralization.[8]

The Small Farmers Development Agency was established in the district as a corporate body registered under the Registration of Societies Act 1860. It had a governining body that was the highest authority of the Agency. The District Collector, an IAS officer, was the head of the governing body and a senior officer from the government acted as the Project Officer of the Chief Executive Officer. There were also at least three Assistant Project Officers who came from the departments of agriculture, cooperatives and animal husbandry who supported the professional activities of the Agency. The SFDAs had no field staff of their own below the district except sometimes an Extension Officer at the block level.

Public participation was incorporated by including two non-officials on its board. Representatives of cooperatives, banks and local heads of relevant government departments were also included. The Government of

India made direct financial grants to the Agency which disbursed them according to its own action plans. The officials were deputed to work for the Agency by the State government on its "foreign service" terms. The agencies had separate offices and the supporting staff was not deemed to be in government service and was governed by rules and regulations prepared by the Agency itself.

The District Rural Development Agencies that have replaced the SFDAs carry the same organizational characteristics.

Before we end this part of the discussion, it is important to point out that the central government financed the whole SFDA programme. When it was merged into the IRDP the financial responsibility of the programme is shared equally between the centre and the states. In both the programmes, the initiative has come from the central government. Being responsible for financing the SFDA, the central government laid down criterion to implement the programme. Schemes were sent to the agencies, their costs and subsidy amounts were indicated and the agencies were evaluated for the amount that was disbursed and the number to whom it was disbursed. Progress reports from all the agencies were sent up to the Central Government and it monitored the agencies through manipulation of financial grants and through the influence it exercised over the state governments.

CHAPTER III

THE SFDA IN ALWAR : THE SETTING PROGRAMME ACTIVITY AND PERFORMANCE

As already indicated, Small Farmers Development Programme was merged into Integrated Rural Development Programme progressively from 1978, and by 1981 IRDP had replaced SFDA in the entire country. But the essential thrust of the programme remained the same though its scope of activities and coverage of beneficiaries were enlarged. The Small Farmers Development Agency was also renamed as District Rural Development Agency but its essential structural characteristics remained the same. Therefore, for the purposes of our study, we shall use the terms inter-changeably.

We have focussed our attention on the working of SFDA in Alwar, a district in north-east of Rjasthan Out of 26 districts in the state, six districts were fully or partially covered by this scheme. The whole of the district Alwar was under SFDA since 1970. In 1978, six blocks of the district out of fourteen were merged with the IRDP and the others followed suit in 1981. Thus, the performance data includes both of what was strictly SFDA from 1970-1978 and IRDP from 1979-1982.

Socio-economic Characteristics of Alwar

Alwar covers an area of about 8,383 Sq.kms which is around 2.45 per cent of the total area of the state. It is largely a rural district with 91% of the total population living in the villages. About 25% of the total population consists of Scheduled Castes and Scheduled Tribes. Of the total number of workers in the district 68.3% are cultivators and 8.5% agricultural labourers.

According to the agricultural census of 1976-77 the pattern of land holdings is highly skewed. As shown in the Table I below, 62.6% of total operational holdings are of 2 ha and less in size but occupy only 21.8% of the total cultivated area. On the other extreme there are 15.4% of holdings occupying more than 52% of the area.

TABLE I

Size and Area of Land Holdings in Alwar

Size in ha.	Percent Holdings	Percent Area
Upto 1	40.2	8.3
1 - 2	22.6	13.5
2 - 4	20.7	25.3
4 and above	15.4	52.9

The average size of landholding was 2 ha. in 1976-77. Between 1970-71 and 1976-77 while the average size of land holdings remained 2.0 ha, the number of operational holdings increased by 19.1%.

The net area sown is 61.29 and the percentage of double cropped area to net area sown is 26.6. (See Table II below)

TABLE II

Land-Utilization Pattern Alwar

(Area in 000 ha.)

Classifications of land use.	1969-70	%	1975-76	%
1. Reporting area	769		766	
2. Forests	17	2.2	13	1.7
3. Area not available for cultivation.	175	23.1	171	22.3
4. Other uncultivated area:	67	8.7	47	61
a) Culturable waste	29	3.8	21	2.7
b) Permanent pastures and grazing land.	38	4.9	26	3.4
5. Fallow land	18	2.4	27	3.5
6. Net area sown	492	63.9	508	66.4
7. Total cropped area	649	-	681	-
8. Area sown more than once	157	-	173	-

The three major foodcrops of the district are gram, bajra (millets), and wheat. The table below shows the production and area under these crops.

TABLE III

Production and Area Under Major Crops 1969-70 and 1976-77

	Production (000 tonnes)		Area in% of total cropped area.	
	1969-70	1976-77	1969-70	1976-77
Gram	137	164	27.3	25.4
Bajra	46	130	23.7	24.8
Wheat	87	172	10.1	14.4

As can be seen from the Table, bajra and wheat have registered significant increases in production during the given period. This does not seem to have happened due to increase in area of production because while area under bajra increased around 1 per cent point, area under wheat increased by about 4 per cent points. The bajra production increased nearly three folds and wheat doubled its production. During this period, total cropped area increased only by about four percent.

The major contributory factor to these increases in production appears to be irrigation which increased from 92081 ha to 130287 ha in 1976-77. The increase was of about 34.2%. Together with this, SFDA appears to have contributed in changing the pattern of sources of irrigation. As can be seen in Table IV below, in 1969-70 area irrigated by tubewells was only 5.8% of the total but it increased to 24.2% of the total in 1976-77. The area irrigated by tanks and that by wells fell during this period and in the case of tanks this was a substantial drop.

TABLE IV

Sources of Irrigation by Area
1969-70 and 1976-77
in%

	1969-70	1976-77
Tanks	15.4	6.9
Wells	78.5	64.2
Tubewells	5.8	24.2
Others	0.3	4.7
Total Area Irrigated	92081ha	130287ha

In addition, since the inception of the SFDA in the district, the number of tubewells have increased by 73.8%. The number of diesel/electric pumpsets in the district at the end of 1979-80 were 24,619 registering a nine-fold increase from the number in 1972. This

increase is undoubtedly due to loan/subsidy provided by the SFDA for the purpose.

The livestock wealth of the district consists mainly of cattle, buffaloes and goats. Dairy is one of the important allied activities. There are 150 registered milk cooperative societies and 45 milk collection centres through which 8.3 million kg. of milk worth Rs.15.7 million was collected during the period 1979-80.

Administratively, the district of Alwar has been divided into 14 community development blocks. The District Collector is incharge of the district administration and a Block Development Officer heads the block administration. The development team at the block level consists of extension officers who work under the general coordination of the B.D.O. The administrative division of the district, block and village coincides with the elective bodies created under Panchayati Raj - Zilla Parishad, Panchayat Samiti and Panchayat respectively.

With a view to fulfil the overall objectives of the small farmers development agencies, the central government identified some broad areas like improved agricultural practices, minor irrigation, animal husbandry, strengthening of cooperative institutions and training of rural artisans within which the SFDAs were to prepare their schemes.

Because the work of the Agency was oriented to benefit individuals, its main function was to motivate the eligible benefiaries to undertake these various schemes for improving their incomes. The schemes needed finances which the beneficiaries did not have and the role of the agency was to help them procure these finances. Thus the work of the Agency was credit based and its success lay in how much credit it could mobilize and distribute among the beneficiaries. The Agency itself could only give subsidy which came as government grant while the rest of the loan had to be arranged through lending institutions like banks and cooperative societies.

The first step of the Agency was to identify the small farmers, marginal farmers and agricultural labourers who would be the beneficiaries of the programmes. In the first phase of SFDA upto 1975, it was only concerned with small farmers. It was after 1975 when the MFAL Agency was merged with it that its scope of activity was enlarged to cover the other two categories of beneficiaries too. By 1977, 92.50% of the total small and marginal farmers were identified as the target group for whom the Agency directed its activities. Of the total number of farmers identifiedabout one-third were small farmers. Agricultural labourers were only 0.2% of the identified group. The identification process was based on the revenue records

maintained by the village patwari (headman) and all those owning irrigated land upto 2 ha or unirrigated land upto 3 ha were included as small farmers. Those owning less than 1 ha of irrigated land were classified as marginal farmers.

After the advent of the Integrated Rural Development Programme, a new set of Guidelines to identify the beneficiaries was issued by the Government of India. It was now envisaged that the focus of the programme would encompass the entire weaker sections of the rural population and would include small and marginal farmers, share croppers, agricultural and non-agricultural labourers, rural artisans and families belonging to Scheduled Castes and Tribes who are below the poverty line. Precise definition of each of the category was laid down. But broadly, because the purpose of the programme was to raise families above the poverty line, the Guidelines pointed out that the basic criteria to be used to identify the beneficiary groups should be the family incomes. It was indicated that the criteria of Rs.62/- per head per month could be adopted. Thus a rural family with an average of five persons and earning about Rs.3,500/- per annum was to be included as a beneficiary.

The process of selection was also delineated in the Government of India guidelines. Either a comprehensive survey of family incomes in the district according to blocks could be undertaken and the families falling in the lowest income groups could be included in the target group. Or where such comprehensive surveys were not possible, families could be first screened on the basis of land holdings and other economic indicators and this list could then be verified by village assemilies especially convened for the purpose.

The Government of Rajasthan elaborated these guidelines for identifying the beneficiaries of the IRDP before issuing them to the districts. In order to select families below the poverty line, it created two categories. The first category consisted of those rural families who did not possess any productive assets like land or animals and earned less than Rs.2,000/- per year. The second category consisted of rural families who possessed some productive assets but their incomes did not exceed Rs.2,000/- per year. Both the categories would include members of the Scheduled Castes and Tribes. The total number of beneficiaries identified is not yet available but it is envisaged to benefit 600 families per block per year. Setting a target of serving 600 families is a new feature incorporated in IRDP. Such targets were not envisaged under SFDA.

The number of persons identified upto 1977 as target group was 1,29,000. Out of them only 13% or 17,000 small and marginal farmers and agricultural labourers were benefited by the schemes operated by the SFDA. About two-third of the beneficiaries were small farmers while agricultural labourers constituted only about 1% of them. During the three years after the SFDA for which the figures are available the number of beneficiaries has been 550,2674 and 7,023 for the years 1978-79, 1979-80, 1980-81. The targets for the first two years were, 3,600 and for the third year 8,400. During the period 1975-76 to 1977-78 for which data is available, 37.2% of the beneficiaries identified were members of the Scheduled Castes and Scheduled Tribes. One of the aims of IRDP was to focus greater attention on the members of these groups and according to the action plan for 1981-82 it is expected that about 47% of the total beneficiaries will be from these groups.

In none of the years therefore the target of beneficiaries has been reached.

Once the beneficiaries were identified the next step was to motivate them to apply for loans under various schemes being promoted by the SFDA. The lending institutions whether banks or cooperative credit societies scrutinized the applications through

on the spot verification to ensure the elibility of the applicant. This verification was further done by the SFDA when the bank sent the application for certifying the mortgage of land etc. At this time, the SFDA also calculated the amount of subsidy that needed to be given by it to the applicant so that the amount of loan could be adjusted.

The loan sanctioned is disbursed in three instalments in case of construction of well etc. and directly paid to the loanee. In case of other items like pump-sets, buffalo etc. the loan is given by the bank directly to the person/firm who is going to supply the item concerned.

In case where the farmer does not need a loan, he is still eligible for a subsidy which is either directly released to him or paid to the dealer from whom the item is being purchased.

For purposes of calculating subsidy, specific norms have been laid down by the Government of India. The rates are different for different schemes. For example, for purchasing a buffalo unit a subsidy of 25% of the cost was given to a small farmer but 33 1/3% to a marginal farmer. A community irrigation scheme was eligible for a 50% subsidy from the SFDA. Similar norms are followed under IRDP too. The finances for a scheme by which a person had to be benefited, come from two sources - as a subsidy

from SFDA and as loan from a bank or a cooperative society. Thus, unless credit is mobilized mere subsidy is not adequate.

The financial allotment to the SFDA at Alwar has been of the order of Rs.20.29 million from 1971-72 to 1977-78. Out of these only 39.5% or Rs.8.02 million have been spent. Under IRD Programme, the allotment has been Rs.3.0 million, Rs.3.12 million and Rs.9.17 million for the years 1978-79, 1979-80 and 1980-81. The proportion of expenditure however has been 21.1%, 77.4% and 95.3% respectively. In none of the years, the expenditure matched the financial allocations made.

TABLE V

Budget Allocation and Expenditure
SFDA and IRDP in Alwar

Year	Allotment Rs.in mill.	Expenditure Rs.in mill.	%Expenditure to allotment
1971-72	1.86	0.36	19.2
1972-73	3.95	0.80	20.2
1973-74	4.28	1.09	25.2
1974-75	2.00	1.12	55.8
1975-76	3.62	2.82	77.6
1976-77	2.27	1.34	59.3
1977-78	2.29	0.49	21.4
1978-79	3.00	0.63	21.1
1979-80	3.12	2.42	77.4
1980-81	9.67	9.21	95.3

There is imbalance in expenditure over various schemes promoted by the SFDA. (See Table VI below)

TABLE VI

Schemewise Financial Allocation and Expenditure under SFDA

Scheme	Financial Allocation upto 1977-78 (Rs. in mill)	Expenditure upto 1977-78. (Rs. in mill)	% of expenditure to allotment.
Agriculture	3.87	1.63	42.3
Minor Irrigation	7.59	3.49	45.9
Animal Husbandry	4.23	0.88	20.7
Cooperative Institutions	1.13	0.61	54.0
Krishi Upaj Mandi	0.58	-	-
Rural Godown	0.55	0.06	10.8
Customer hire services.	0.49	0.14	28.7
Rural Artisans	0.62	0.24	37.9

About 54% of the financial allocation went to strengthen cooperative societies. The allocation for minor irrigation was also utilized upto 45%. But for all other schemes the utilization has been very low and in the case of agricultural producers marketing society (Krishi Upaj Mandi) there was no expenditure at all even when an allocation of about Rs.0.6 million had been made during the period.

This imbalance in programmatic financial expenditure is further reflected in the physical progress of SFDA between 1971-72 and 1975-76. As seen in the Table below, the targets of distributing diesel/electric pumpsets and milch cattles have had excess achievement while there is a short-fall in meeting targets in most other areas. Community irrigation works or programme to deepen wells

TABLE VII

Physical Progress of SFDA Alwar
1971-72 to 1975-76

Programmes	Targets	Achievements	%
Agriculture			
1. Land levelling	3100 acres	89 acres	2.87
2. Demonstrations	1500 acres	1482 acres	98.8
Minor Irrigation			
1. Dug wells	2800 wells	1736 wells	62.0
2. Diesel/electric pumpsets	820 sets	822 sets	100.24
3. Deepening wells	1150 wells	23 wells	1.02
4. Community irrigation works	10 works	NIL	NIL
Animal Husbandry			
1. Milch cattle	850 units	1133 units	133.29
2. Bullocks	200 pairs	28 pairs	14.0
3. Poultry units	230 units	7 units	3.04
4. Piggery farms	50 farms	1 farm	2.00
Cooperative Institutions			
1. Construction of godowns	40 godowns	18 godowns	45.0
2. Customer Hire Service Centres	4 centres	4 centres	100.00
3. Krishak Upaj Mandi Samiti	3 Samiti	NIL	NIL

have received scant attention and only about 60% of the target of dug-wells was achieved. There was far greater emphasis on the distribution of diesel/electric pump-sets for tubewells in the actual implementation of the SFDA programmes. Similarly in animal husbandry, target for the distribution of milch cattle was exceeded while the distribution of bullocks, poultry units development of piggery farms were neglected.

The agencies that provided credit to the beneficiaries included the Central Cooperative Bank Ltd., Primary Land Development Bank and other commercial banks. The Central Cooperative Bank provided short and medium term loans through the village cooperative societies for purchase of seed, fertilizer and milch cattle. During the period 1970-71 to 1977-78 short-term loans worth Rs.52.98 million were provided. Small farmers were the major recipients of the loans. A sum of Rs.2.35 million was given out as medium term loan. The commercial banks also advanced a loan of Rs.1.79 million during the same period in addition to the loan advanced by the Central Cooperative Bank. Thus, the total amount of short and medium term loans advanced by the cooperatives and commercial banks amounted to Rs.56.12 million. Long-term loans were provided by the Primary Land Development Banks and were worth Rs.16.24 million. Generally these loans supported schemes taken up under minor irrigation for purchase of pumpsets.

The amount of subsidy disbursed to the beneficiaries was of the order of Rs.6.91 million. Most subsidies went to support programmes in the area of minor irrigation and agriculture. (See Table VIII)

To recapitulate, the Government of India through its frequent guidelines, has given close direction as to how the Small Farmers Development Agency and its successor the District Rural Development Agency functions. How the beneficiaries are to be identified, what would be content of the programmes, what is the extent of subsidy etc. are all issues that were determined away from the district level. The unit cost of various schemes has also been laid down. (See Appendix II)

There is also a complete dependence of the programme on the allocations made by the Central Government. The Annual Action Plan prepared by the District Rural Development Agency Alwar for 1981-82 notes that according to the instructions of the State Government, a preliminary selection of 12,469 rural families as beneficiaries was made. However, it was then calculated that to benefit this number of families a subsidy allocation of about Rs.18.0 million was needed. The Government of India, on the other hand, was prepeared to give only Rs.0.6 million per block for 1981-82. This amounted to only Rs.8.4 million. Therefore, the plan was pruned down apprroriately to benefit only 6791 families.

TABLE VIII

Amount of Subsidy under various Schemes of SFDA Alwar (In mill. Rs)

Schemes	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	Total
Agriculture	0.17	0.21	0.30	0.37	0.23	0.33	0.03	16.4
Minor Irrigation	0.02	0.23	0.28	0.21	1.97	0.49	0.29	3.49
Animal Husbandry	-	0.05	0.09	0.09	0.21	0.37	0.07	0.88
Marketing Godown	-	0.02	-	0.04	0.003	-	-	0.06
Share Capital	-	0.02	0.02	0.004	0.03	-	-	0.07
Rural Artisans	-	0.03	0.11	0.08	0.01	-	-	0.23

But even where allocations have been made, the data show that the money has not been fully utilised. What is interesting is that this lack of utilization of funds has not been evenly spread. Some programmes have been completely neglected. It is intriguing that in 1975-76 the proportion of utilization of funds, distribution of subsidy, achievement of physical targets has been higher than earlier years. Perhaps there is some relationship to the fact that this was the year when national emergency was in operation in the country and unified bureaucratic command running from lower levels to the higher level was more strongly felt. The result was greater concern for implementation which was clearly demonstrated by higher expenditure/allocation ratio and distribution of subsidy. What needs to be noted is that those programmes that needed people's participation like cooperatives or effective extension for accepting poultry birds etc. were also the one's that fared poorly.

CHAPTER IV

ORGANIZATION FOR THE IMPLEMENTATION OF THE PROGRAMME

As already pointed out, the SFDA, and now the IRD programme have been initiated by the Central Government. Even though agriculture and rural development are constitutionally subjects to be dealt with by the state governments, historically all new and innovative programmes have been initiated at the behest of the Central Government. This initiative has come primarily through the provision of extra funds to the state governments. Such schemes have come to be known as centrally sponsored projects and have become the instruments of the strategy of change that is determined by the national policy making bodies.

The SFDA till its merger with IRD in 1978-79 was entirely supported by the Central funds. For the IRD programme the funds are eqally shared between the Centre and the states, but it is the quantum of central funds that in most cases determines states contribution. Due to the fact that the Central Government is the source of finance, the responsibility for policy, guidance and coordination rests with the Central Government.

The Ministry of Rural Reconstruction, Government of India is the nodal government agency which looks after the programme. It is the responsibility of this Ministry to keep a close liaison with other concerned departments and ministries, and banking institutions.

The main mechanism used by this Ministry for policy, guidance and coordination are: (a) issue of guidelinesand policy directives; (b) visits by senior officers to the states for discussion, exchange of ideas and guidance; (c) regional/national conferences; and (d) monitoring of the progress through formal periodical reports.

In January 1980, the Ministry published a Manual on Integrated Rural Development Programme. As stated by the Ministry the purpose of the volume was to bring together "all the instructions and guidelines in a single volume for the use of all those who are engaged in the formulation and implementation of IRD Programme."[9] It was emphasized that these sets of guidelines and instructions were to be treated as a 'manual' for the use of 'doers' in the field. From the definition of beneficiaries and procedures for identification, the Manual containes proformae of survey questionnaires for monitoring and evaluation, guidelines for block planning and instructions regarding who is goind to coordinate the programme upto the field level and how.

Senior level officers of the Ministry have been given area-wise responsibility for overseeing the implementation of the programme. The Manual has specified that "the area officers are expected to attend the state level coordination committee meetings and offer necessary clarifications on the points which may be raised in the meetings of the coordination committee ... the area officers are also expected to undertake field visits to gather first hand experience of the operational aspects of implementing rural development programmes. This would enable the ministry to have a closer understanding of these aspects than is made possible through correspondence."[10]

Regional conferences on Rural Development are held at state headquarters once a year for three days each. These are attended by the concerned secretaries to state governments who look after various rural development programmes in the state. The Government of India's team for these conferences is led by the Additional Secretary in the Ministry and includes the Joint Secretaries that head its various divisions. Officers from other central government agencies like the Planning Commission, Reserve Bank of India also attend these meetings. The main focus of discussion is on the issues of policy, impelementation and coordination. Since credit is the major component of the programme, institutional finance and the problems of its availability usually figure prominently in its proceedings.

During the period when both the SFDA and IRDP were gradually being merged into a single programme, the Government of India was quite concerned by the fact that several schemes of rural development were being handled by different departments at the state level. To have more effective coordination, it advised the state governments that, "(ideally) the three programmes viz., SFDA, IRD and DPAP (Drought Prone Areas Programmes) should be dealt with by a single department at the state level and an officer of the rank of a Commissioner/Special Secretary/Joint Secretary should be entrusted with the responsibility of implementating these programmes ... at least SFDA and IRD programmes should be brought together in a single department since the contents of these two programmes are very similar and IRD guidelines have now been extended to SFDA."

In Rajasthan, a Special Scheme Organization was set up in 1972 and entrusted with the task of administering the centrally sponsored schemes like SFDA, IRDP and DPAP. This organization is headed by a Special Secretary and located in the state secretariat. The work of SFDA and IRDP is handled by Project Director (IRDP) who is of the rank of a Deputy Secretary. A State

level sanctioning committee coordinates the programme in the entire state and is headed by the Chief Secretary. The other members of the Committee are representatives/ secretaries of the departments of finance, agriculture, industries, animal husbandry, cooperation and planning. The Committee also includes representatives of banking institutions. The SSO serves as the secretariat of this committee.

This Committee is expected to perform the following functions:

a) to identify suitable programmes for integrated rural development under the broad guidelihes issued by the Government of India;

b) to identify maladies and suggest appropriate remedies in the form of action plan;

c) to accord sanctions to block plans under the IRD Programme received from the District Collectors;

d) to review the progress of schemes under the IRD Programme; and

e) to monitor the performance and evaluation of the IRD Programme.

This Committee is expected to meet at least once in two months or as often as necessary. The heads of departments, district collectors and Project offiers of DRDAs (District Rural Development Agencies which replaced SFDAs) are also invited to attend these meetings, if required.

There is also another state level committee of banks that locks after the coordination of credit supply to the IRD programmes. This Committee consists of the representatives of all commercial banks operating in the state, Reserve Bank of India, Agricultural Refinance and Development Corporation, Industrial Development Bank of India, Rajasthan State Cooperative Bank, and a representative from the state Cooperative Bank.

The most crucial unit in the implementation of SFDA/IRD Programme is the Agency at the district level. This Agency hasbeen established independent of the hierarchical administration at the district level in which district officials represent their sectoral departments. Each of these departments formulates its own plan of action that is incorporated in the state plan and funds released for its implementation through the state budget allocations. The overall coordination of the implementation of these sectoral programmes rests with the district collector.

There are two characteristics of this process of implementation that need to be mentioned here. First is that the financial allocations to each of these sectoral department at the district level are for a particular year beginning 1 April and ending on the 31 March the following year. If the financial allocations are

not fully utilized, the remaining amount reverts to the state exchequer at the end of the year.

Second, the district officials and officials below them at the block or village level are hierarchically linked with their departmental headquarters at the state level. They are governed by different personnel policies and practices and are thus not bound by uniform service conditions. For recognition of their work, they depend on their departmental superiors. These varying service conditions and promotion avenues leads to the development of strong departmental loyalities resulting in lesser concern for the district as spatial unit and more for the implementation of their own sectoral schemes.

Within the parameters of these characteristics the District Collector is expected to coordinate these sectoral programmes in such a way that the district as a whole is benefited. He is the leader of the team whose members owe loyalty to their own departments. But, because the Collector is a member of the superior civil service (IAS), his capacity to influence is recognized. Therefore, at one level the Collector's role of coordinating authority is determined by the effectiveness of his personal influence both at the district level as well as by the state level.

As we have already indicated earlier, the Small Farmers Development Agency was established outside this district implementation machinery. The considerations that appeared to have weighed with the Government at that time were three-fold:

a) to enable central government to transfer funds directly to district agencies without routing these through state governments. This was to obviate the necessity of obtaining financial sanctions within the state governments as these were known to cause delays;

b) to create agencies at the district level which were directly answerable to the Central Government and were also insulated from local political promises; and

c) to enable the agencies to retain the funds after the end of the financial year and not surrendering them to the government.

When the Integrated Rural Development Programme was introduced, the Government of India directed each of these agencies to pass a resolution renaming themselves District Rural Development Agencies. All other relationthips and characteristics of the structure remained the same.

Two changes, however, did occur. The only source of funds was not Government of India. The state governments equally shared the burden and transferred funds directly to the Agency. The transfer of funds was not governed by the normal rules of the financial year and the funds did not lapse with its end.

In another change, the number of professional staff was also increased. In the SFDA, there was one project officer, one assistant project officer and one statistical assistant. For the DRDA, the complement of professional staff at Alwar is as follows:

Project Officer	...	1
District Planning Officer	...	1
Assistant Project Officer (Agriculture)	...	1
Assistant Project Officer (Animal Husbandry)	...	1
Subject Matter Specialist (Agriculture)	...	1
Assistant Project Officer (Cooperation)	...	1
Statistical Assistant	...	1

It is proposed to add the following staff from the next year:

Accounts Officer	...	1
Assistant Director (Monitoring)	...	1
Investigator	...	2

In neither of these programmes was additional staff sanctioned at the Block level or below. In a very early letter in 1971, the Government of India advised the State governments that these agencies "will only serve as catalyst activising the existing government agencies to come to the

help of the weaker sections of the community in a big way and the extension staff of the various development departments of the state should attend to the work of the Agency as part of their normal duties."[11] This underlying philosophy of administrative arrangements was further elaborated in 1980 at a Workshop on Integrated Rural Development for District Level Officers when the concerned Joint Secretary to the Government of India referred to a visit of a team on Integrated Rural Development from Bangladesh. He said,[12]

> "They (Bangladesh team) were with me and they told me that in Bangladesh they have created an Integrated Rural Development Department all along the line. At the state level, there is a Director-General for Integrated Rural Development. They have their organizations at the District level. So, IRD has become another Department like agriculture, animal husbandry or cooperatives. This is another programme which is being implemented by a few people. Because they have created an entirely separate department they find they are not getting that cooperation from other departments. Therefore, they are stuck. They feel this has become another peripheral activity. Whereas, our idea is that IRD should not be a programme in the narrow sense of the term. It should be all comprehensive, which should bring in its fold all the existing organizations and therefore, no department as such has been created. Deliberately, there is no idea or intention to have a department of IRD, or single line hierarchical command all along the line, down to the lowest level. That is why we were not in favour of the suggestion of having an independent cell (at the block) because then that will alienate the field functionaries, the VLW, BDO and various other people".

The Governing Council of the SFDA/DRDA consists of the following:

1. District Collector	:	Chairman
2. Zilla Pramukh	:	Member
3. Chairman, Central Cooperative Bank, Alwar	:	
4. Chairman, Primary Land Development Bank.	:	
5. Member, nominated by State Government.) 6. Member, nominated by State Government.)	2 :	
7. Member, Representative of Scheduled Castes.		
8. District Agricultural Officer.		
9. District Animal Husbandry Officer		
10. Assistant Director, Industry Department, at Alwar.		
11. Assistant Registrar Cooperative (North) Alwar		
12. Assistant Registrar Cooperarive (South) Alwar		
13. Representative Agricultural Department, Government of India.		
14. Representative, Planning Commission, Government of India.		
15. Dy. Secretary, Special Schemes, Government of Rajasthan.		
16. Project Officer and ex-officio Secretary.		

The two nominees of the state government are non-officials. At the moment, the representative of the Scheduled Castes is a member of the legislative assembly of the state. Thus, with the chairman or Pramukh of the Zilla Parishad, there are four non-officials and twelve officials on the governing body.

For the purpose of coordinating the implementation of the programme among the official agencies and with the lending institutions, a District Level Consultative Committee has been formed. The Government of India has emphasized that this Committee should be given important status and has enjoined the state governments to make "all the functionaries of the Government at district level to realise the importance of the District level Consultative Committee meetings. This can be ensured if the District Collector ensures that all meetings are attended by him and when the District Collector does not attend its meetings on account of some other pressing engagement, he or she should depute his or her representative."[13]

Though a separate agency has been set up it must still be recognised that it is greatly dependent on the District Collector for its performance. The administrative planners have contunuously stressed on his role and all coordinating agencies at the local level are

so organized that they revolve around him. Secondly, the professional staff comes from the regular government departments. People from different services are Project Officers of the District Rural Development Agencies. Out of the 26 DRDAs in Rajasthan, 5 of their Project officers belong to IAS, 8 to the State Civil Service and 13 to specialist departments like agriculture, animal husbandry, cooperation etc. At Alwar, during the period of our study, the temporary charge of the office of Project officer was held by a doctor from the animal husbandry department. Both the Project officer and the Assistant Project Officer come on secondment to the Agecny.

The average tenure of the District Collector in Alwar from the time SFDA came into being has been that of seventeen months. The average stay of the Project Director of SFDA/DRDA has also been nearly the same - eighteen months. The longest tenure of the District Collector and Project Director has been of 31 and 48 months. The Assistant Project Officers have had longer innings; though, the one looking after cooperatives has had the shortest average tenure among them. During the longest stay of the District Collector of 31 months, the Project officers changed twice through one of them worked around 23 months with him. The longest stay of the Project Director was that of 48 months and during this

period there were three changes in the office of the District Collector, two in AP (Agriculture), two in APO (Animal Husbandry) and five in APO (Cooperatives). None of the officials responsible for implementing SFDA programme were changed simultaneously. There were overlapping tenures and thus little effort is made either to establish responsibility or to build teams to accomplish common common tasks. One of the reasons is that each official comes from his parent department. These departments are not integrated at the level where decisions about the agency are taken. No special skills are demanded of these officers seconded to this specialized organization and hence the work in it is treated as merely another activity of the government.

TABLE IX

Length of Stay of SFDA Officers

(In months)

	Average Tenure	Longest Tenure	Shortest Tenure
District Collector and Chairman	17	31	7
Project Director	18	48	1
APO Agriculture	34	63	5
APO Animal Hus.	24	48	5
APO Cooperative	13	21	7

CHAPTER V

PROGRAMME IMPLEMENTATION AND ITS BENEFICIARIES

As has already been pointed out, IRD programme was introduced in a phased manner from 1978-79 in Alwar. Six of the fourteen blocks of Alwar were recipients of IRD grants from this year and we have chosen two of these six for more detailed examination. These two blocks are Umrain and Kotkassim.

The block headquarters of Umrain are located 10 Kms. and that of Kotkassim 78 Kms. away from district headquarters at Alwar. In the Table X below, some other distinctive characteristics of thetwo blocks are given. Umrain is much larger than Kotkassim both in population as well as in geographical size. The net irrigated area as a proportion to the net area sown is also more. It is the size, promixity to district headquarters and extent of irrigation that led us to choose these two blocks for more detailed examination.

TABLE X

Block Profiles: Umrain and Kotkassim

		Umrain	Kotkassim	Alwar
1. Total Population	1971	94,936	64,815	13,91,162
2. No. of Rural Households	1971	16,277	8,032	1,97,973
3. Total Geographical area in ha.	1979-80	92,318	28,414	7,73,558
4. Net area cultivated in ha.	1979-80	58,503	21,744	4,72,999
5. Net Irrigated area in ha.	1979-80	26,662	8,031	2,23,290
6. Proportion of net irrigated area to net area cultivated	1979-80	45.4%	38.6%	47.1%
7. Number of buffaloes	1977	15,016	16,430	1,91,586
8. Number of camels	1977	682	295	19,455
9. Number of wells in use	1980-81	4,083	1,824	38,693
10. Number of pumpsets diesel/electric	1979-80	3,292	1,482	24,619

During the period 1978-79, 1979-80 and 1980-81, the families to be benefited were selected from the lists prepared under the SFDA. The work of identifying families bearing the new IRD guidelines commenced in 1981. For the period 1981-84, 30,013 families have been identified as the target groups in the district. Each block was supposed to benefit 2,000 families. However, the target for 1981-82 had to be curtailed from, 12,469 families to 6,791 for all the fourteen blocks because the subsidy allocation by the Government of India was not sufficient to meet the action plan.[14]

However, if we look at the progress of the two blocks Umrain and Kotkassim during the three periods, we find that in none of the years the amount allotted to them has been fully spent. This appears to be in keeping with SFDA record wherein there was considerable amount that lay unspent. (See Chapter III) But there is a difference between Umrain and Kotkassim in this regard. As can be seen from Table XI below, while the two blocks began with a similar record in 1978-79, by 1980-81 wide disparity betweenthem had been created. Umrain had increased its expenditure around 16 times but Kotkassim lagged behind by recording an increase of only 4 times. The performance regarding the target families is also similar.

TABLE XI

Expenditure Incurred and Families Benefited

	Expenditure incurred (in lakhs)		Credit mobilised (in lakhs)		Families benefited	
	U	KK	U	KK	U	KK
1978-79	0.77	0.66	2.61.	2.60	79	66
1979-80	3.73	2.11	7.84	6.76	466	258
1980-81	11.92	2.82	25.77	4.82	720	255

U = Umrain KK = Kotkassim

The schemes that have been formulated to help the beneficiaries are financed through either long term or medium term loans. Under long term lending programme, schemes to deepen wells or to provide diesl or electric pumpsets are undertaken. These schemes are broadly covered under what is known as minor irrigation programme. Under medium term loans, schemes like the distribution of bullocks/bullock carts, camels/camel carts, milk yielding buffaloes are undertaken. As can be seen from Table XII below most of the beneficiaries have received medium term loans.

TABLE XII

Proportion of Beneficiaries of Medium Term Loans in Percent

	1978-79	1979-80	1980-81
Alwar	55% * (550)	71% (2647)	64% (5109)
Umrain	72% (79)	85% (466)	86% (258)
Kotkassim	76 (66)	86 (258)	84 (255)

* Figures in bracket is total number of beneficiaries out of whom the percentage is calculated.

Within the scope of these two types of loans, the two major schemes through which the cultivators have been benefited are those of distribution of pump-sets and distribution of milch buffaloes. We have chosen the scheme of distribution of camel-carts and also the above two for closer examination. The number of beneficiaries of these three schemes are indicated in Table XIII below.

TABLE XIII

Proportion of Beneficiaries by Selected Scheme
Umrain, Kotkassim and Alwar
1978-79 to 1981-82

	Pumpsets			Buffaloes			Camel Carts			Total No. of Beneficiaries		
Year	U	KK	A	U	KK	A	U	KK	A	U	KK	A
1978-79	24.00	36.3	40.3	59.5	60.6	50.1	-	-	2.3	79	66	550
1979-80	12.6	12.9	26.9	81.1	66.6	62.6	0.9	1.5	4.3	466	258	2647
1980-81	32.4	16.0	19.0	58.3	59.6	59.0	0.9	14.5	6.1	720	255	5109
1981-82	1.9	9.1	3.6	66.0	55.2	44.2	2.3	23.3	1.5	303	304	5216

* Figures are in percentage of the total number beneficiaries of each year given in the last columns.

A survey questionnaire was administered to the beneficiaries of the three schemes of distribution of pump-sets, milch buffaloes and camel carts. The list of beneficiaries was obtained from the block head-quarters and a random sample of about 100 beneficiaries was chosen. The sample families were spread out among several villages. This was particularly in the case of the scheme of camel-carts. No interview of a beneficiary under this scheme was found possible from Umrain. Finally, we could interview only 86 heads of families. Out of them 40 belonged to Umrain and the rest to Kotkassim. In this sample, 44%, 35% and about 20% were the beneficiaries of pump-sets, buffaloes, and camel carts schemes respectively.

The sample respondents were classified as small farmers, marginal farmers and agricultural labourers according to criterion laid down by government under SFDA and we found their distribution as shown in Table XIV below:

TABLE XIV

Category of Sample Beneficiaries to Selected Schemes

	Umrain			Kotkassim			Total
	B	P	CC	B	P	CC	
Small Farmers	9	18	-	9	9	7	52
Marginal Farmers	6	2	-	6	1	8	23
Agricultural Labourers	5	-	-	3	-	3	11
Total:	20	20	-	18	10	18	86

NOTE: B = Buffalo Scheme P = Distribution of Pumpsets
CC= Distribution of Camel Carts

In Umrain among the 18 beneficiaries of the pump-sets scheme, there is a farmer who owns 10 acres of land. In Kotkassim, under the same scheme, there were four more of such cases that did not conform to the criterion laid down by the government for inclusion in the group who were to be benefited by this programme. There was one farmer who owned 8 acres of land; another who had declared himself owner of little land but his father owned more than the minimum acreage. Thus, within our sample, there were only five instances (6% of the sample) where leakage in identification had occurred.

The proportion of small farmers benefiting from all the three schemes appear also to be high. The minor irrigation scheme does have small farmers as its primary focus but they appear to be major beneficiaries of other two schemes too. Out of the 38 beneficiaries of buffalo scheme, about 47% of them are small farmers. Similarly, out of the 18 beneficiaries of the camel cart scheme, there is nearly an equal number of small and marginal farmers.

On the average, the small farmers included in our sample owned about 4.30 acres of land. This was certainly higher than the overall average. The average land holding of a marginal farmer was 1.63 acres. Between the two blocks the average size of land holdings inboth the groups was larger in Kotkassim than in Umrain. The

average size of land holding of a small farmer in Kotkassim was 4.28 acres and in Umrain it was 3.88 acres. In the case of the marginal farmer the comparative figures were of 1.70 and 1.50 acres respectively.

In terms of housing, the small farmers were better off than the other two groups in our sample. They owned more houses that were built of stone and mortar (Pucca). There were at least 16% among them who owned both pucca and kuccha (mudhuts) dwellings. In contrast, the marginal farmers mostly owned kuccha houses. All the agricultural labourers had only kuccha houses.

Similarly, the small farmers were better off in terms of owning animal assets. Most of them had at least one buffalo each and some owned a bullock and a camel too. Most of the agricultural labourers had one buffalo. Only three of them did not own any animal.

More than 76% of our respondents were illiterate. Among them, however, there were about 17% who could sign their names but all others could only put their thumb impressions. Among those who were literate, only one person had studied upto high school and about 50% of them were beneficiaries of the minor-irrigation scheme.

The major source of information aboutthe schemes for the sample beneficiaries was the extension agent. About 54% of the beneficiaries mentioned that they heard about the schemes from the Village Level Worker or the Block Agriculture Extension Officer. But as Table XV below shows, the significance of the source differs in case of the two blocks. Umrain seems to have more effective extension than Kotkassim. Similarly in case of minor irrigation, the effect of extension is uneven. Private pump-set dealers play an equally significant role. Out of the 30 beneficiaries of the scheme nearly 50% of them heard about it from commercial dealers of pump-sets. This proportion is higher in Kotkassim than in Umrain.

TABLE XV

Source of Information According to Schemes

Source/Scheme	Umrain		Kotkassim			Total
	B	P	B	P	CC	
V.L.W	16	6	5	2	5	34
A.E.O.	-	-	6	1	5	12
Commercial dealer	-	8	-	6	-	14
Sarpanch	3	-	4	1	2	10
Patwari	1	1	3	-	1	6
Others (relatives/ villagers)	-	5			5	10
	20	20	18	10	18	

B 1 Buffalo scheme   CC = Camel carts   P = pump-sets

The role of commercial dealers in promoting the sale of their brand of pump-sets was widely commented upon by the officials and others in informal discussions during our field work in Alwar. There was a widespread belief that these dealers have taken considerable advantage of the credit-subsidy basis of the IRD schemes. In the case of pump-sets or other schemes, the beneficiaries do not deal with cash at all. While they are involved in completing the legal formalities, the financial transactions take place between the credit institutions and the dealers directly. In dealing with agency and the credit institutions, dealers while facilitating the process of procuring a loan may place extra financial burden on the loanee without his knowlege. He may or may not even discover the excess even when the repayments begin. As we have already noted, most of the beneficiaries of all schemes are illiterate and at least 70% of those who have received pump-sets are so. The legal formalities involve certificates of viability and genuineness of the applicant. There is a consistent effort by the government that the time taken in this activity is shortened. Camps are organised where most related functionaries are present to smoothen out the bottlenecks in this process. It was also recently suggested that the agency may

consider appointing some literate persons in each village who would be prepared to help in these formalities on the basis of some payment.[15]

In this regard, there is another parameter that needs to be kept in mind. The unit cost of each scheme is fixed at the state level and handed down to the district for compliance. This means that commercial dealers know, for example, the maximum amount that can be charged for a pump-set. The costs are reviewed periodically at the state level in meetings of the government with the bankers. However, these reviews cannot keep pace with market fluctuations and competition and therefore the commercial dealers are left with some manoeuvrability. Therefore, they directly solicit the prospective buyers and are ready to help them complete all formalities. There were at least four cases where pumpsets were installed even before the completion of legal and financial formalities. This shows the aggressive marketing practices that dealers resort to.

The role of the facilitators also comes out clearly when we take average time taken by respondents to receive a loan after the application has been submitted. In the case of the boffalo scheme the average time was 3.63 months but in the case of pump-set it was 1.83 months - about half. There is also a difference

between the blocks. On the average it takes 2.15 months to take a loan in Umrain while in Kotkassim it takes about 3.08 months. On the whole, though, about 65% of the beneficiaries took no more than 2 months to get a loan in Umrain but this proportion went down to 37% in Kotkassim.

The two major reasons why the beneficiaries have taken loans is because of the subsidy component and its easy availability. This is particularly true in the case of distribution of pump-sets. The loan for camel-carts has been more clearly seen as a method of augmenting income and therefore grant of subsidy emerged as an important reason. Undoubtedly, the beneficiaries have been motivated to participate in a government programme because of subsidy-credit component of the programme.

Among the beneficiaries of the three programmes, all of them did not stand to gain. In the buffalo scheme, at least one-third of the sample participants could not augment their income. Most of them sold out their buffaloes after having purchased them. There were only two cases in the sample where extra income could not be generated because the cattle did not yield milk.

In the case of camel-cart scheme, in three cases the camel died. In another six cases, camel-carts were not distributed when the camels were bought.

Even in the scheme of the distribution of pump-sets, there have been several beneficiaries who could not fully take advantage of the scheme. Several, (4) sold out their pumpsets while one cultivator did not use the loan to deepen his well.

Thus, about 35% of the total number of respondents reported that they had been unable to increase their income in spite of being loan recipients under the three schemes. Among those whose incomes increased, the beneficiaries in the camel-cart scheme, said their incomes on the average had risen by Rs.4,666/-. The entire sample of beneficiaries was from Kotkassim and the fact that this place is in the interior, transport of agricultural commodities to the local markets is a major problem. Hence, camel-cart owner helped fill in this gap in transport and made significant gain in their income. Among them, the small farmers did the best. The increases through the installation of a pump-set were of the order of about 4.08 quintal per acre and Rs.612 at the prevailing prices.

In the end, it is important to stress that the major focus in implementing the small farmer development or integrated development programme has been on disbursing credit. The monitoring by the higher level agencies is also primarily financial. It is in terms of subsidy utilized and the extent of credit mobilized through banks

and cooperative institutions that the success of an agency is measured. The result is that less concern is expressed when there are leakages in identification of beneficiaries or default in payment of loans or lack of augmentation of income of the beneficiaries. This mode of evaluation also means that preparing scheme that can make an individual participant economically viable demands time but time is short because of financial targets have to be met. We found that there was a wide disparity in the income generated among the participants of the same scheme. This was probably because each one was operating on a different economic basis and seeing the need of a particular programme differently. Little effort at local planning was evident and whatever shelf of schemes that came from the Centre was offered to the target group.

The commercial dealers selling pump-sets have played a significant role in acting as a channel of information between the agency and the beneficiaries. Their self-interest was a strong motivating force. However, for this very reason there is a feeling that this led to malpractices placing extra financial burden on the consumer. This probably has some credence because beneficiaries are illiterate and loan processes demand fulfilment of complex application requirements.

As we have already emphasized, better off among the target group appear to be taking more advantage out of the programme. In addition the fact that Umrain has greater proximity to district headquarters and the fact that it has more bank branches, facilitates loan processing. It appears, that more advantages tend to flow towards it than towards Kotkassim, creating disparities in development of the two blocks.

CHAPTER VI

PROFILE OF DECENTRALIZATION : SOME CONCLUSIONS

Since the beginning of the introduction of the small farmer development programme, it was fully known that the tasks were very ambitious. There were more than 50 million rural households who owned less than 5 acres of land another 20 million who possessed no land at all. As the programme progressed, it was found that the government could reach no more than one million families each year. Thus, if the small and marginal farmers and landless agricultural labourers were assumed to be given stock, then it would take 50 years to reach 50 million families. If the growth in the population and number of households are also taken into account then probably the time span could extend to 150 years and more.[16] Taking this factor into account it is very difficult to talk about success or failure of the policy. The way the policy has been enunciated, it is improbably that to believe that it would have led to spectacular results.

It seems far more probable that the policy was a reaction to the warnings of the Reserve Bank Credit Review Committee and other Reports of the impending rise in rural tension that may lead to violence if some measure of help was not given to those who had been

by-passed by the green revolution strategy. There is, therefore, a greater reason to believe that the policy for small farmer development had more political than economic goals to serve. It is this mixed concern that has influenced the design of organization and processes of implementation of the policy.

As has already been indicated, one of the major sources of dissatisfaction with the experiment in democratic decentralization or Panchayati Raj was that in course of more than a decade, it had failed to be an instrument of national goals of planning and development. People's participation did not necessarily serve the broad national concerns. Therefore, the search was on for an organization that would respond to the local needs but be an instrument of national policy goals.

The product of these considerations was the establishment of Small Farmer Development Agency in District as a registered society. The governing board was so composed that non-bureaucrats or elected representatives were also members. But every other method was employed to see that it remains embedded in the traditional structure of district administration. Thus, though the agency had a separate identity

but it was merged into the broad rubric of activities of the district collector because he was made the chairman of the agency. Similarly, though great stress was laid on the freedom to prepare local action plans and flexibility to establish procedures, the agency, managed by government functionaries on deputation, adopted all that the government had to offer in terms of rules and regulations. The government functionaries did not have even fixed tenures in SFDA and responded to the erratic government policy of postings and transfers. The result was that partly by design and partly by environmental influence, the unique characteristics of the new agency never attained a sharp focus.

In operational terms, the Central Government provided strong guidance to these agencies. A plethora of guidelines and instructions are issued from New Delhi and they take care of all the activities of the SFDA. A compendium of instructions on SFDA was compiled and published in 1975 by the Government of India. This volume has been followed up by a Manual on Integrated Rural Development in 1980. The local agencies are exhorted by the senior officers of the Ministry of Rural Reconstruction to look at these volumes as guidelines for action in the district. The

Manual, for example, provides detailed instructions on how to identify beneficiaries, what should be the schemes and the procedures for obtaining loans, and how co-ordination is to be achieved. Even Central Government officers have been detailed to attend the specified coordination committee meetings in order to articulate the governments point of view.

The impact of this close linkage of the SFDA with the Central Government is that even where the agency is exhorted to adopt its own methods as determined by local conditions, it chooses to work on the well trodden path of central guidelines. In Alwar, all schemes were adopted from the shelf of schemes provided by the government. Sufficient planning did not go into the planning ofthe scheme of distribution of milch cattle. Adequate cooperative services for marketing dairy produce or veterinary cover was not provided in undertaking this scheme. And this appears to be the major weakness of the Agency. Local level capability to plan for the increase of income of beneficiaries was not very strong. There was no specific training provided to the functionaries transferred to the SFDA and therefore they carried on unconcerned about the special nature of the Agency and its activities.

In another sense, the linkage of the local SFDA and the Central Government was weak. At the central level, the planners usually talked in high ideal tones and insisted that the local level officials needed to respond to local situations and not central instructions. What was more important was to achieve increases in the income of beneficiaries. They emphasized that giving loan and subsidy was only a means to an end and it is the generation of additional income that should be considered the goal. These ideals somehow failed to percolate down. Monitoring was concerned with financial targets alone and little concern was expressed for the impact of the scheme. The instances of selling off assets from the loans taken or the death of animals did not act as a feedback for corrective action. The banks were happy so long as the repayment scheduleswere maintained irrespective of the fact from where the money came. The SFDA officials were pleased that a set number of beneficiaries had been reached and loans granted to them.

This inability of the SFDA to concern itself with the impact of implementing its programmes flows out of the diffused administrative responsibility of the programme in the district. The SFDA officials, the Project Director and his Assistant Project officers

are located at the headquarters. There is no follow up machinery at the Block or the level below. Therefore, they have to depend on the functionaries of other departments. This dependence, as we have seen earlier, was part of the intended design. But the result is that SFDA is not taken as an important activity by them for it is an extra burden and the constant lament of the SFDA functionaries is that their success depends on unwilling partners. If the others cooperate, many schemes are implemented otherwise not. In addition, SFDA is one of the many programmes under the Collector. If he is the driving force of development in the district, SFDA receives only part of his attention. The other concerned departments are represented in coordination committees which meet periodically. Thus, though the SFDA functionaries have responsibilities for tasks, they do not have the ultimate authority to carry them out. An SFDA scheme whether in minor irrigation or dairy demands support from other functional departments and if this support is not planned and provided in advance, programme goals suffer.

Thus, Small Farmer Development Agency and its successor District Rural Development Agency has really become an experiment in "controlled decentralization." Higher level administrators establish criteria on the basis of which programme goals have to be achieved. At

the same time, they have left the power to enforce the criteria on the local level body. In order to provide this Agency improved capability, it has been given semi-independent status that removes it from the constraints of year to year governmental budgeting.

However, enough attention has not been devoted to the technical capability of the SFDA officials. Improved methods of project identification and formulation have to be attempted and local resources taken into account in doing so. A suggestion has been made to establish district planning cells who will take care of block level planning but the machinery has yet to be installed.[18]

The method of monitoring also needs to be changed. The administrative planners are aware of the limitations of financial monitoring and have offered alternative proforma. But these again have yet to be implemented.

Finally, in this scheme people's participation is limited. Of course, there are some representatives on the governing council. In addition, camps were held to identify the beneficiaries but no effort has been made to involve them in the monitoring and evaluation of the programme. Probably, much corrective action could be

taken if there was an organized system of feedback. One can conclude in this regard by emphasizing that the SFDA must somehow be made answerable to the general body of beneficiaries of the programme. This will ensure that schemes are properly implemented and have adequate back up support from other departments and also that the advantages flow to intended beneficiaries and leakagesin identification are minimized.

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15. This suggestion was made by a senior officer of the Government of India's Ministry of Rural Reconstruction see Government of India, _Workshops on Integrated Rural Development Programme for District Level Officers: A Summary Record_; Ministry of Rural Reconstruction, July-August 1980, Delhi.

16. See the discussion in _ibid_ pp.6-7; also Raj Krishna, Small Farmer Development, _Economic & Political Weekly_, XIV, 21, May 26, 1979, pp.913-18.

17. _Workshop_, op.cit. p.17.

18. In the Manual of Integrated Rural Development, _op.cit._ a whole chapter is devoted to block level planning its purposes and goals.

APPENDIX I

Schemes to be Undertaken by Small Farmers Development Agencies

1. Agriculture Scheme

a) Land levelling and other soil conservation plots;

b) demonstration plots;

c) field channels;

d) subsidy on transport of inputs;

e) risk fund and short-term loaning to small and marginal farmers;

f) subsidy to marginal farmers for crop loans; and

g) Storage seed bins.

2. Minor Irrigation

a) Dug wells;

b) motor and pumping sets;

c) deepening of wells;

d) community irrigation works;

e) developing/repair of works.

3. Animal Husbandry

a) Milch Chattle;

b) poultry;

c) bullock;

d) piggery farm.

4. Cooperative Institutions

a) Construction of godown;

c) customers hire service station.

c) Krishi Upaj Mandi Samiti (Agriculture Producers Society Marketing);

d) Subsidy on metallic seed-binds;

e) Suply of plant protection equipment like dusters and sprayers;

f) supply of agriculture equipment like plough and harrow;

g) subsidy on tractor ploughing charges for customers hire service stations;

h) share capital loans to new members;

i) share capital loans to new members;

j) Subsidy to banks for additional staff.

5. Training of Rural Artisans.

Details of Unit Cost of various items under IRD Programme

Purpose	Existing Unit Cost
I. Agricultural and Allied Purposes (Medium Term Loan)	
1. Bullock-pair	Rs.3,500/-
2. (a) Bullock-cart with Bullock-pair	Rs.5,000/-
(b) Bullock-cart with Bullock-pair and Pneumatic tyres.	Rs. 5,500/-
3. Camel	Rs.2,800/-
4. Camel-cart with camel	Rs.4,900/-
5. Donkey-cart	Rs.1,000/-
6. She Buffalo unit (two buffaloes)	Rs.5,000/-
7. Buffalo-cart	Rs.4,000/-
8. Cow unit (two cows)	Rs.3,000/-
9. Goat Unit (10 goats & 1 buck)	Rs.3,000/-
10. Sheep Unit (30 sheep & 1 Ram)	Rs.5,450/- (the cost varies for different breeds which range between 150 to 180 per sheep (30 sheep + 1 Ram)
11. Poultry (100 birds)	Rs.4,800/-
12. Piggery unit	Rs.1,900/-
II. Agricultural Purposes (Long Term Loans):	
1. Construction of wells	Rs.6,000/-
2. Land Dev./Soil Conservation works	Rs.1,200/-
3. Field Channels	Rs.1,700/-
4. Orchards	Rs.4,000/-
5. Pump-sets 3 H.P.	As per manufacturer's price list
6. Pump-sets 5 H.P.	As per manufacturer's price list
7. Diesel Pump-sets	As per manufacturer's price list

III. Rural Artisans Avocations:

Sr.No.	Purpose	Unit cost Investment	Working Capital
1.	Loom/Karghas	1000/-	2000/-
2.	Tailoring	700/-	400/-
3.	Dari/Niwar work	800/-	600/-
4.	Churi making	300/-	1500/-
5.	Atta Chakki	6000/-	1000/-
6.	Comb making	180/-	200/-
7.	Barber shop	700/-	100/-
8.	Rural Tea Shop	900/-	300/-
9.	Arc-welding	4000/-	5000/-
10.	Cycle repair shop	2700/-	300/-
11.	Kargha shed	4500/-	1000/-
12.	Rural Retail shop	1000/-	1000/-
13.	Arc machine	8000/-	1000/-
14.	Black smithy	1200/-	800/-
15.	Village Cobbler	1000/-	600/-
16.	Rural Barber Shop	400/-	100/-
17.	Barber shop (Semi-urban)	700/-	150/-
18.	Rural Tea Stall	900/-	300/-
19.	Rural Cycle shop	2700/-	300/-
20.	Rural Carpenter Shop-I	1500/-	1000/-
21.	Rural Carpenter Shop-II	1050/-	2000/-
22.	Bidi making	2000/-	2000/-
23.	Horse and Tonga	5000/-	-
24.	Stone cutting works	330/-	450/-
25.	Candle manufacturing	850/-	4000/-
26.	Embriodary shop	1250/-	5000/-
27.	Manually operated rice and Dal sheller	1050/-	-
28.	Grinding machine	1550/-	-
29.	Power driven Rice/Dal Flour grinding machine	3000/-	-
30.	Papad making	500/-	2500/-

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